1   HOUSE BILL NO. 110

2   INTRODUCED BY J. SESSO

3   BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

4

5   A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATING TO THE PROCUREMENT OF STATE

6   OFFICE SPACE; SETTING SIZE AND TERM LIMITS; REQUIRING LEGISLATIVE APPROVAL FOR CERTAIN

7   BUILDING LEASES ENTERED INTO BY THE STATE; REQUIRING THE CONSOLIDATION OF THE HELENA

8   OFFICES OF STATE AGENCIES UNDER CERTAIN CIRCUMSTANCES; PROVIDING FOR REPORTS ON

9   SPACE ALLOCATION; ESTABLISHING A NOTIFICATION MECHANISM RELATIVE TO THE STATE

10   LONG-RANGE BUILDING PROGRAM; AND AMENDING SECTION 2-17-101, MCA."

11

12   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13

14   **Section 1.** Section 2-17-101, MCA, is amended to read:

15   **"2-17-101. Allocation of space -- leasing -- definition.** (1) The department of administration shall

16   determine the space required by state agencies other than the university system and shall allocate space in

17   buildings owned or leased by the state, based on each agency's need. To efficiently and effectively allocate

18   space, the department ~~periodically~~ shall identify the amount, location, and nature of space used by each agency

19   and report this to the office of budget and program planning and to the legislative fiscal analyst by September 1

20   of each even-numbered year.

21   (2) An agency requiring additional space shall notify the department. The department, in consultation

22   with the agency, shall determine the amount and nature of the space needed and locate space within a building

23   owned or leased by the state to meet the agency's requirements. If space is not available in a building owned or

24   leased by the state, the department shall locate space to be leased in an appropriate existing building or a

25   build-to-lease building or recommend alternatives to leasing, such as remodeling or exchanging space with

26   another agency. A state agency may not lease, rent, or purchase real property ~~for quarters~~ without prior approval

27   of the department.

28   (3) (a) The location of the chambers for the house of representatives must be determined in the sole

29   discretion of the house of representatives. The location of the chambers for ~~of~~ the senate must be determined

30   in the sole discretion of the senate.

1   (b) Subject to 2-17-108, the department, with the advice of the legislative council, shall allocate other

2   space for the use of the legislature, including but not limited to space for committee rooms and legislative offices.

3   (4) ~~For state agencies located in a city other than Helena,~~ the The department shall consolidate the

4   offices of ~~these~~ state agencies in a single, central location within ~~the city~~ a municipality whenever the

5   consolidation would result in a cost savings to the state while permitting sufficient space and facilities for the

6   agencies. The department may purchase, lease, or acquire, by exchange or otherwise, land and buildings in ~~the~~

7   ~~city~~ a municipality to achieve consolidation. Offices of the law enforcement services division and motor vehicle

8   division of the department of justice are exempted from consolidation.

9   (5) Any lease for more than 40,000 square feet or for a term of more than 20 years must be submitted

10   as part of the long-range building program and approved by the legislature before the department of

11   administration may proceed with the lease. Multiple leases in the same building entered into within any 60-day

12   period are to be aggregated for purposes of this threshold calculation. When immediate relocation of agency

13   employees is required due to a public exigency, the requirements of this subsection do not apply, but the new

14   lease must be reported as required by subsection (1).

15   (6) The department shall include language in every lease providing that if funds are not appropriated or

16   otherwise made available to support continued performance of the lease in subsequent fiscal periods, the lease

17   must be canceled.

18   (7) "Public exigency" means that due to unforeseen circumstances a facility occupied by state employees

19   is uninhabitable due to immediate conditions that adversely impact the health or safety of the occupants of the

20   facility."

21

22   NEW SECTION. **Section 2. Notification of noninclusion of least-cost alternative in long-range**

23   **building program.** If the space needs analysis provided for in 2-17-101 concludes that the construction or the

24   purchase for state ownership of a particular facility is more cost-effective than leasing but that option is not

25   included in the introduced version of a bill appropriating money for or authorizing bonds for the long-range

26   building program, that fact must be noted in a biennial report submitted to the office of budget and program

27   planning and the legislative fiscal analyst by the department pursuant to 2-17-101(1). The cost comparison

28   between leasing and construction or purchase for state ownership must factor in a 40-year building life and must

29   contain a balanced analysis of the tax implications for the state.

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1   <u>NEW SECTION.</u> **Section 3. Codification instruction.** [Section 2] is intended to be codified as an
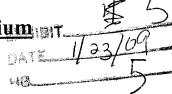
2   integral part of Title 17, chapter 7, part 2, and the provisions of Title 17, chapter 7, part 2, apply to [section 2].

3   - END -

GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING

Bill #	HB0110	**Title:**	Revise law for acquisition of state office space
Primary Sponsor:	Sesso, Jon C	**Status:**	As Introduced

☐ Significant Local Gov Impact   ☐ Needs to be included in HB 2   ☐ Technical Concerns

☐ Included in the Executive Budget   ☐ Significant Long-Term Impacts   ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	FY 2010 Difference	FY 2011 Difference	FY 2012 Difference	FY 2013 Difference
Expenditures:				
General Fund	$0	$0	$0	$0
Revenue:				
General Fund	$0	$0	$0	$0
Net Impact-General Fund Balance	$0	$0	$0	$0

FISCAL ANALYSIS

Assumptions:

1. This bill has no fiscal impact to the state.

Sponsor's Initials	_Date_	_Budget Director's Initials_ 1/2/2009	_Date_